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INTERGOVERNMENTAL PREPARATORY COMMITTEE
FOR THE THIRD UNITED NATIONS CONFERENCE
ON THE LEAST DEVELOPED COUNTRIES
Second session
New York, 5 – 9 February 2001

DRAFT REPORT OF THE INTERGOVERNMENTAL PREPARATORY COMMITTEE ON ITS SECOND SESSION

New York, 5 – 9 February 2001

Rapporteur: Mr. R. T. Dogani (United Republic of Tanzania)

Note for the delegates

Delegations wishing to make corrections to the summaries of their statements are requested to do so by **Wednesday, 14 February 2001**. Corrections should be sent by phone, fax or eMail to: UNCTAD, Editorial Unit, Palais des Nations, Geneva, phone +(41 22) 907.5656/1066, fax +(41 22) 907.0056, eMail: chris.macfarquhar@unctad.org.

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INTRODUCTION

Opening Statements (continued)

1. The representative of the **World Bank** said that the draft Programme of Action provided a solid basis on which to move forward. With regard to the report prepared by High Level Panel, the Bank agreed with the Panel's diagnosis but found that the conclusions were unnecessarily pessimistic. With the introduction of the country-driven PRSP process, the poorest countries could take greater ownership of their policy agenda. Despite the fall in aggregate aid flows, the opportunity to attract increased aid through the adoption of sound policies was today significant. The growing number of initiatives to grant duty-free and quota-free access to products originating in LDCs was encouraging, and the LDCs' tiny share of world trade implied that the real cost to high-income countries and to other developing countries would be negligeable. The strong interest shown recently by several development partners in making the Integrated Framework for Trade-related Technical Assistance a funded mandate was also encouraged. The LDCs themselves must take aggressive steps to integrate into the world economy, and a beginning for this could be the inclusion of trade chapters into the PRSPs. A moratorium on debt or unconditional debt cancellation might well turn out not to be in the best long-term interest of the indebted countries. It was essential that debt relief be integrated into external assistance programmes revolving around a poverty reduction and growth strategy.

2. The representative of **Mauritania** said that the Programme of Action for the LDCs for 2001-2010 should be based on an objective global diagnosis of the current situation in the LDCs and should draw lessons from past experience. The 1990s had seen the further marginalization of the LDCs, which had not been able to benefit from globalization, despite the structural reforms they had undertaken. At the same time, ODA had fallen steadily. The Conference should result in realistic commitments and an effective implementation mechanism, and the draft Programme of Action presented was a good basis for discussion. However, the structure of the commitments should be reviewed in order to take better into account the major goals of the LDCs. The commitments should be more balanced in terms of the actions to be taken by LDCs on the one hand and the actions to be taken by their development partners on the other.

3. The representative of **Algeria** said that, despite the structural economic reforms initiated by many LDCs and the support measures provided by some development partners, the economic situation in the LDCs had not improved during the 1990s. There was therefore a need to draw the lessons from the previous decade to elaborate new strategies with new priorities. His delegation strongly supported a new Programme of Action based on a dynamic partnership able to promote growth and sustainable development, eradicate poverty, combat inequality and integrate the LDCs into the world economy. The new Programme of Action should mobilize more resources for development through increased domestic saving and

international financial support. The international community should also cancel the LDCs' external debt.

4. The representative of **ILO** said his organization fully supported LDC III. It shared the belief that the Conference should abstain from simply compiling a long wish-list and should work towards more concrete action. The draft Programme of Action in its present form did not sufficiently address the role of employment and job creation in poverty reduction and eradication. According to ILO data, some 500 million people would be joining the job market during the decade covered by the Programme, and 80 per cent of these job seekers would come from developing countries, including the LDCs. Moreover, one-third of the labour force in the LDCs still lived on less than $1 a day. The role of employment and job-creation in these circumstances could not be over-emphasized. ILO would present a number of deliverables at the Conference, and in that connection it considered that the theme of the event on "Human Resource Development" should be expanded in scope to deal with "Decent Work for Poverty Reduction", which combined the issues of job creation, skill endowment and social protection.

5. The representative of **Norway** emphasized that translating into action the emerging consensus on the enhanced role of the private sector in the development process would be an important task for the Conference. Each country had the prime responsibility for its own development, and must create conditions of peace, stability, democracy, human rights and sound macroeconomic management. The commitments in the Programme of Action should be short, focused and result-oriented, with indicators and timeframes. Norway supported the emphasis on social development, particularly in the area of health, and in that connection HIV/AIDS must now be addressed as a basic development issue in the LDCs. Greater efforts were needed in the areas of debt relief, the multilateral trading regime, trade-related technical assistance and ODA. Finally, in the preparatory process for the Conference, issues should be addressed informally first, possibly at a workshop prior to the Preparatory Committee's third session.

6. The representative of **UNFPA** said that LDC III represented an important means of generating action aimed at attaining the goals set at the Millennium Summit and other United Nations Conferences and summits. UNFPA was fully committed to the process. In its work on population and reproductive health, it placed a great deal of emphasis on LDCs and gender equality. In order to improve in-country absorptive capacity in LDCs, UNFPA would strengthen its field presence to speed up capacity-building and the transfer of technical skills and know-how. The overall strategy of UNFPA was guided by the outcome of the International Conference on Population and Development and its review process. The draft POA already included commitments and actions that addressed population and reproductive health, as well as the need to empower women in the LDCs. UNFPA would contribute suggestions with a view to strengthening those aspects.

7. The representative of **ESCAP** said that the countries of the Asian and Pacific region had recently held a high-level meeting the recommendations of which would be transmitted to the Preparatory Committee. The draft Programme of Action was focused and comprehensive, it identified key issues and it set goals and targets. However, it was not clear what resources would be required to meet the targets, and the modalities for ensuring ownership were not clear either. Finally, the Programme of Action should have the appropriate status, and it should be ratified at the country level.

8. The representative of the **Maldives** said his country attached the greatest importance to the draft Programme of Action, and it had now completed its own draft national programme of action. The Maldives attached particular importance to trade in commodities, regional trading arrangements, alleviation of vulnerability to natural shocks, the protection of the environment and domestic resource mobilization. All these areas needed more detailed consideration and emphasis. Environmental protection was the most crucial issue for the Maldives. If LDC III was to produce tangible benefits FOR the LDCs, it must put in place a Programme of Action that addressed their many development problems. The Programme must draw from the experience of the past and include practical measures with clear objectives and measurable targets. A spirit of true partnership between the LDCs and the developed countries was a necessary precondition for success.

9. The representative of **UPU** said that postal services were often forgotten about, but they were in fact an essential part of a country's infrastructure. Even now, with the rapid development of electronic communications, the importance of postal services had not diminished, and such services were often the only network in rural areas. In LDCs, postal services were seriously underdeveloped, and the issue should be dealt with in the Programme of Action under commitments 3 and 4. His organization's aid to LDCs was growing constantly, and LDCs were in fact the organization's priority.

10. The representative of **ITC** said that his organization had several decades of experience in designing programmes aimed at harnessing the power of exports to reduce poverty, especially among micro-groups of producers in rural areas. It stood ready to extend its experience to the LDCs through appropriate mechanisms within the framework of the Programme of Action for LDCs. ITC was particularly committed to delivering concrete results for the LDCs under the Integrated Framework for Trade-related Technical Assistance and through the Business Sector Round Table to be organized as part of LDC III. The deliberations of the round table would provide useful inputs for the thematic discussion on trade. In his view, the Programme of Action could be strengthened by addressing directly issues dealing with the opening up of new markets in a competitive environment through greater involvement of the private sector and through a holistic approach to trade development.

11. The representative of the **Food and Agriculture Organization** said his organization was strongly committed to the Third UN Conference on the LDCs and would advance its

objectives in cooperation with all other stakeholders. The draft Programme of Action constituted an excellent framework for action, but FAO had lingering concerns about the coverage of the role of agriculture, the mainstay of some 70 per cent of the rural poor who were the subject of the draft Programme. In this regard, FAO felt that the issues of capacity building in agro-based industries, increased investment and external assistance in the agricultural sector, and striking a better balance between rural development and food security deserved more concise reflection in the text. Debt relief, through the HIPC initiative, could also be focused on strengthening domestic agriculture and food production.

12. The representative of the **Pacific Concerns Resource Centre Inc.**, speaking on behalf of **NGOs**, expressed appreciation for the Programme of Action as a process. On debt, there should be an immediate moratorium on debt service payments by LDCs, and all LDC debt should then be cancelled. Flows of ODA to LDCs should be strengthened, and agreed criteria for the quality and effectiveness of aid should be established. Concerning trade, poor countries should receive concrete special and differential treatment, and all LDC products should have tariff-free and duty-free access to developed countries' markets.

13. In preparations for the Conference, civil society representatives had been marginalized, and they needed UN and donor support. A second round of accreditation should be provided for. On the substance of the Programme of Action, human rights were a foundation of development policy, and they should be appropriately incorporated into country contributions. Peace and good governance were intimately linked to development and poverty eradication, and Governments were responsible for addressing the inequities that led to conflict. In that connection, there should be a total ban on the import of small arms and light weapons into regions suffering from violent conflicts. With regard to infrastructure, emphasis should be place on infrastructure that directly improved the quality of life of the poor, especially in rural areas. On the broader issue of globalization, technical measures to make globalization development-friendly were not enough; basic questions of global economic justice had to be addressed. Finally, Governments in LDCs and in the North must be accountable for ensuring effective action in favour of LDCs.

ORGANIZATIONAL MATTERS

A. Opening of the session

14. The second session of the Intergovernmental Preparatory Committee was opened at United Nations Headquarters in New York on 5 February 2001 by the Chairman of the Committee.

B. Adoption of the agenda and organization of work

(Agenda item 1)

15. At its 1st plenary meeting, on 5 February 2001, the Preparatory Committee adopted its draft provisional agenda (A/CONF.191/IPC/17 and Add.1). The agenda was thus as follows:

1. Adoption of the agenda and organization or work
2. Progress report by the Chairman of the Intergovernmental Preparatory Committee
3. Substantive preparations for the Conference
   (a) Report on national country preparations
   (b) First formal reading of the draft Programme of Action (A/CONF.191/IPC/L.4)
4. Other matters relating to preparations for the Conference
5. Other business
6. Adoption of the report of the Intergovernmental Preparatory Committee on its second session

C. Election of officers

16. At its 1st plenary meeting, on 5 February 2001, the Preparatory Committee elected Mr. Sorin Dumitru Ducaru (Romania) as Vice-Chairman of the Committee, thus completing its bureau.